

C. DUKES SCOTT  
EXECUTIVE DIRECTOR

1101 Main Street, Suite 900  
Columbia, SC 29201



DAN EARNETT  
CHIEF OF STAFF

Phone: (803) 737-0800  
Fax: (803) 737-0801

shudson@regstaff.sc.gov

*Shannon Bowyer Hudson*  
*Counsel for ORS*

June 19, 2009

**VIA E-FILING**

Charles L.A. Terreni, Esquire  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Petition of the Office of Regulatory Staff to Establish Dockets to Consider Implementing the Requirements of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005  
**Docket No.: 2005-385-E**

Dear Mr. Terreni:

I am pleased to enclose the original and one copy of the Settlement Agreement in the net metering docket referenced above. The Settlement Agreement will include the signatures of all parties. Ms. Greenlaw has given her agreement to the Settlement Agreement and her signature will be forwarded shortly. In addition and for purposes of the docket records, it is with regret I share that Mr. John F. Hardaway, an intervenor in the first hearing of this docket, is deceased. By copy of this letter, all other parties of record are being served.

I look forward to seeing you, and please let me know if you have any questions.

Sincerely,

Shannon Bowyer Hudson

SBH/pjm  
Enclosure

cc: Elizabeth M. Smith, *Pro Se*  
David Odell, *Pro Se*  
Pamela Greenlaw, *Pro Se*  
Mel Jenkins, *Pro Se*  
Ruth Thomas, *Pro Se*  
Len S. Anthony, Esquire  
Catherine E. Heigel, Esquire  
Brian Lamont Franklin, Esquire  
Catherine D. Taylor, Esquire  
K. Chad Burgess, Esquire

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2005-385-E**

**June 19, 2009**

**In Re: Petition to Establish Docket to** )  
**Consider Implementing the** )  
**Requirements Of:** )  
 )  
**Section 1251 (Net Metering and** )  
**Additional Standards) of the** )  
**Energy Policy Act Of 2005** )

**SETTLEMENT AGREEMENT**

This Settlement Agreement is made by and among the South Carolina Office of Regulatory Staff (“ORS”), Elizabeth M. Smith, David O’Dell, Pamela Greenlaw, Mel Jenkins, Ruth Thomas, Progress Energy Carolinas, Inc. (“Progress”), Duke Energy Carolinas, LLC (“Duke”) and South Carolina Electric & Gas Company (“SCE&G”) (collectively referred to as the “Parties” or sometimes individually as a “Party”).

WHEREAS, the Public Service Commission of South Carolina (“Commission”) held its first hearing in this docket on May 15, 2007;

WHEREAS, after the first hearing, the Commission issued Order No. 2007-618 on August 30, 2007 requiring Progress, Duke and SCE&G (“the Companies”) to file net metering tariffs meeting criteria set forth in Order No. 2007-618;

WHEREAS Progress, Duke and SCE&G filed their respective net metering tariffs in November, 2007;

WHEREAS, the Commission held a briefing on February 14, 2008 for the Companies to explain their net metering tariffs;



cross-examination with the exception of changes comparable to that which would be presented via an errata sheet or through a witness noting a correction.

- a. *Pro Se* Intervenor Elizabeth M. Smith
- b. ORS witness M. Anthony James, P.E.
- c. Progress witness Laura A. Bateman
- d. Duke witness Barbara Yarbrough
- e. SCE&G witness Robert E. Long

2. As a compromise, all Parties adopt, accept, and acknowledge as the agreement of the Parties that the net metering recommendations in the Net Metering Report have been or will be adopted by the Companies. Specifically, the recommendations adopted by the Companies are to:

- a. Standardize the net metering program structure for uniformity among the three Companies with the understanding that while the program structure will be standardized, differences may exist among the language and descriptions used in the tariffs and rate schedules of the Companies;
- b. Modify the flat rate option for residential customers to reflect 1:1 standard retail rates for excess energy credits;
- c. Eliminate stand-by charges for residential customers;
- d. Allow renewable energy generators to retain ownership of Renewable Energy Credits ("RECs") until a market for RECs is fully developed. After a market for RECs is fully developed, then, annually, any RECs associated with net excess generation shall be granted to the Companies when the net excess generation balance is set to zero;

- e. Report annually to ORS and the SC Energy Office the number of net metering customers by renewable energy generator type, in order to allow for continuing assessment of net metering programs;

3. The Parties agree to support the Companies' recovery, subject to measurement and verification, of the cross-subsidization that may be created from the 1:1 standard retail rates for excess energy.

4. The parties also agree that the net metering process and recommendations should be reviewed within four years.

5. The Parties agree this Settlement Agreement is reasonable, in the public interest and in accordance with law and regulatory policy.

6. ORS is charged with the duty to represent the public interest of South Carolina pursuant to S.C. Code §58-4-10(B) (Supp. 2008). S.C. Code §58-4-10(B)(1) through (3) reads in part as follows:

“...‘public interest’ means a balancing of the following:

- (1) Concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) Economic development and job attraction and retention in South Carolina; and
- (3) Preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.”

7. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution in the above-captioned proceeding. The Parties agree to use

reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

8. This written Settlement Agreement contains the complete agreement of the Parties. There are no other terms and conditions to which the Parties have agreed. The Parties agree that this Settlement Agreement will not constrain, inhibit or impair their arguments or positions held in future proceedings, nor will the Settlement Agreement or any of the matters agreed to in it be used as evidence or precedent in any future proceeding. If the Commission should decline to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

9. This Settlement Agreement shall be interpreted according to South Carolina law. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing his or her signature or authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

WE AGREE:

**Representing and binding the South Carolina Office of Regulatory Staff**

Shannon Bowyer Hudson

Nanette S. Edwards, Esquire

Shannon Bowyer Hudson, Esquire

**South Carolina Office of Regulatory Staff**

1401 Main Street, Suite 900

Columbia, SC 29201

Phone: (803) 737-0575

(803) 737-0889

Fax: (803) 737-0895

Email: [nsedwar@regstaff.sc.gov](mailto:nsedwar@regstaff.sc.gov)

[shudson@regstaff.sc.gov](mailto:shudson@regstaff.sc.gov)

---

Elizabeth M. Smith, *Pro Se*  
611 North Shore Drive  
Charleston, SC 29412  
Phone: (843) 406.7985  
Email: libbysmith@comcast.net

I agree that this Settlement Agreement was presented in writing. I further agree that I have fully read and understand this Settlement Agreement and voluntarily agree to its terms. I also understand and acknowledge that I may exercise my right to consult an attorney before signing this Settlement Agreement.

Elizabeth M Smith 6/17/2009



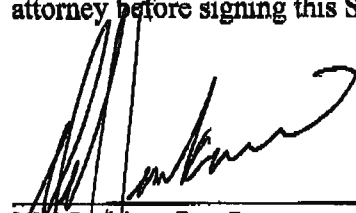
I agree that this Settlement Agreement was presented in writing. I further agree that I have fully read and understand this Settlement Agreement and voluntarily agree to its terms. I also understand and acknowledge that I may exercise my right to consult an attorney before signing this Settlement Agreement.

A handwritten signature in cursive script, appearing to read 'David Odell', written in black ink.

---

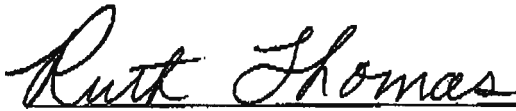
David Odell, *Pro Se*  
154 Greybridge Road  
Pelzer, SC 29669  
Phone: 864.248.7007

I agree that this Settlement Agreement was presented in writing. I further agree that I have fully read and understand this Settlement Agreement and voluntarily agree to its terms. I also understand and acknowledge that I may exercise my right to consult an attorney before signing this Settlement Agreement.

A handwritten signature in black ink, appearing to read 'Mel Jenkins', is written over a horizontal line.

Mel Jenkins, *Pro Se*  
3324 Montgomery Avenue  
Columbia, SC 29205  
Phone: (803) 929.0200

I agree that this Settlement Agreement was presented in writing. I further agree that I have fully read and understand this Settlement Agreement and voluntarily agree to its terms. I also understand and acknowledge that I may exercise my right to consult an attorney before signing this Settlement Agreement.

A handwritten signature in cursive script that reads "Ruth Thomas". The signature is written in dark ink and is positioned above a horizontal line.

Ruth Thomas, *Pro Se*

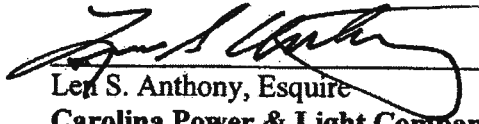
1339 Sinkler Road

Columbia, SC 29206

Phone: (803) 782-3000

WE AGREE:

**Representing and binding Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.**

A handwritten signature in black ink, appearing to read "Len S. Anthony", is written over a horizontal line.

Len S. Anthony, Esquire

**Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.**

P.O. Box 1551

Raleigh, NC 27602

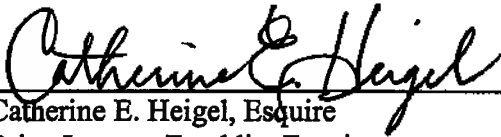
Phone: (919)546-6367

Fax: (919)546-2694

Email: [len.s.anthony@pgnmail.com](mailto:len.s.anthony@pgnmail.com)

WE AGREE:

**Representing and binding Duke Energy Carolinas, LLC**

A handwritten signature in cursive script, reading "Catherine E. Heigel", written over a horizontal line.

Catherine E. Heigel, Esquire

Brian Lamont Franklin, Esquire

Duke Energy Carolinas, LLC

526 S. Church Street, EC03T

Charlotte, NC 28202

Phone: (704) 382-8123

Fax: (704) 382-5690

Email: [ceheigel@duke-energy.com](mailto:ceheigel@duke-energy.com)

[Brian.Franklin@duke-energy.com](mailto:Brian.Franklin@duke-energy.com)

WE AGREE:

**Representing and binding South Carolina Electric & Gas Company**

A handwritten signature in blue ink, appearing to read "K. Chad Burgess", is written over a horizontal line.

Catherine D. Taylor, Esquire

K. Chad Burgess, Esquire

**South Carolina Electric & Gas Company**

1426 Main Street, 13<sup>th</sup> floor

Columbia, SC 29201

Phone: (803) 217-9356

(803) 217-8141

Fax: (803) 217-7931

Email: [cdtaylor@scana.com](mailto:cdtaylor@scana.com)

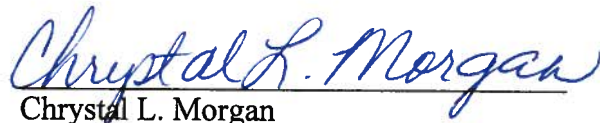
[chad.burgess@scana.com](mailto:chad.burgess@scana.com)

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2005-385-E**

IN RE:	)	
Petition of the Office of Regulatory Staff to	)	<b>CERTIFICATE OF SERVICE</b>
Establish Dockets to Consider Implementing the	)	
Requirements of Section 1251 (Net Metering	)	
and Additional Standards) of the Energy Policy	)	
Act of 2005	)	

This is to certify that I, Chrystal L. Morgan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Catherine D. Taylor , Esquire SCE & G 1426 Main Street, M/C 130 Columbia, SC, 29201	Len S. Anthony, General Counsel Progress Energy Carolinas, Inc Post Office Box 1551 Raleigh, NC, 27602	Catherine E. Heigel, Esquire Duke Energy Carolinas, LLC Post Office Box 1006, EC03T Charlotte, NC, 28201-1066
David O'Dell 3090 South Highway 14 Greer, SC, 29650	Elizabeth M. Smith 611 North Shore Drive Charleston, SC, 29412	Brian L Franklin, Esquire Duke Energy Carolinas, LLC Post Office Box 1006/EC03T Charlotte, NC, 28201-1006
Mel Jenkins 3324 Montgomery Avenue Columbia, SC, 29205	Ruth Thomas 1339 Sinkler Road Columbia, SC, 29206	Pamela Greenlaw 1001 Wotan Road Columbia, SC, 29229
	K. Chad Burgess , Esquire SCE & G 1426 Main Street, MC 130 Columbia, SC, 29201	

  
Chrystal L. Morgan

June 19, 2009  
Columbia, South Carolina